

BEFORE THE FEDERAL ELECTION COMMISSION

Nov 2 3 06 PM '00

Lauren Beth Gash for Congress

MUR #

5143

COMPLAINT

On behalf of the Illinois Republican Party, I am filing this complaint pursuant to 2 U.S.C. § 437(g)(a)(1) against Lauren Beth Gash for Congress and its Treasurer, Barry J. Shapiro, ("the Committee") for failing to timely file the mandatory October Quarterly Report which covers all of the Committee's activity from July 1, 2000 through September 30, 2000. This report is required pursuant to 2 U.S.C. § 434 of the Federal Election Campaign Act. Moreover, the Federal Election Commission should impose, at a minimum, the mandatory penalties on the Committee for its failure to file the report.

THE FACTS

The fundamental purpose of the Federal Election Campaign Act is disclosure, also know as sunshine. But, the Lauren Beth Gash for Congress Committee failed to timely file its October Quarterly Report, which was due on October 15, 2000. As a result, the Committee violated one of the most basic premises of election law which is that all contributions and expenditures are to be reported to the Federal Election Commission so that the public can know where the Committee's money is coming from and how the Committee is spending its money. Instead, the Committee is operating in the dark, not in the sunshine as it is supposed to be. At this critical time in the election cycle, the public was prevented from examining where more than \$450,000 in

contributions have come from in this three month period, and where the committee has spent nearly \$1,000,000 in this very same three month period.¹ The Committee's failure to file this report is egregious, and no excuse can suffice, especially the excuse that it was held up in the mail. It was the Committee's responsibility to ensure that the report did not get lost in the mail and that it was timely filed. Indeed, were it not for the media bringing the Committee's neglect to the Committee's attention, it is likely that the report still would not be filed to this day.²

THE LAW

Section 434(a)(2)(A) of the Federal Election Campaign Act requires all principal campaign committees of candidates for the House of Representatives to file an October Quarterly Report. This is not an optional report. Moreover, pursuant to the Federal Election Commission's newly enacted Administrative Fines Program, civil penalties are to be assessed automatically for the failure to file a report. In announcing this program in the FEC RECORD, the FEC explained that the calculation of the penalty was dependent on several factors. The very first factor identified was the

¹ The Party has arrived at this calculation by examining the Committee's July 15 Quarterly Report and its Pre General Election Report, both of which report a much lower level of activity than the October Quarterly report is apparently going to report.

² We have learned that the FEC sent a Western Union Mailgram (found on the FEC's website) to the Committee on October 20, 2000 informing the Committee that it had four days from the date of the mailgram to file the report. However, the Committee did not comply with that urgent notice either.

“Election sensitivity of the report.” FEC RECORD, Volume 26, Number 7, page 3.

And, not surprisingly, the very first report considered to be election “sensitive” is the October Quarterly Report. Why? Because this report is the report where the vast majority of Committee’s have their most activity, and is filed less than one month before the election. The next factor identified in the FEC RECORD is the number of days late. Here, the report was not one or two days late. By the time the press contacted the campaign questioning why the report had not been filed, the report was already 11 days late. With just days left before the general election, this is precious time. The third factor in calculating penalties is the amount of financial activity in the report which includes the total amount of receipts and disbursements in the report. In this case, the Lauren Beth Gash for Congress Committee is hiding nearly \$1.5 million dollars in activity. However, the FEC’s schedule of penalties found in 11 C.F.R. § 111.43 stops at \$950,000 or over. This \$1.5 million in penalties is obviously 1 ½ times anything contemplated by the Commission.³

DISCUSSION

The Lauren Beth Gash for Congress Committee has flagrantly violated the law. Based on the FEC’s own schedule of penalties, the Committee should be fined more than \$10,000 for its failure to file the mandatory October 15 Quarterly Report. The Illinois Republican Party believes, however, that the Committee should be fined more. The FEC’s administrative penalties do not adequately address the fact that this report

³ At the upper end of the FEC’s schedule of penalties, the FEC increases the amount of activity in \$100,000 increments, not \$500,000 increments. Thus, the schedule does not adequately cover this activity.

was filed more than ten days late and that there are only days left before the election. Nor do the FEC's schedule of penalties adequately address the fact that the report discloses nearly \$1.5 million dollars in activity that was hidden from the public's view. Thus, the FEC should instead rely on 11 C.F.R. §111.31 which permits the Commission to review this case as it does any enforcement case and demand more significant civil penalties from the Lauren Beth Gash for Congress Committee.

PRAYER FOR RELIEF

The FEC should immediately assess civil penalties of no less than \$10,000 against the Lauren Beth Gash for Congress Committee for its failure to file the mandatory October Quarterly Report and violation of 2 U.S.C. § 434(a) of the Federal Election Campaign Act.

Respectfully Submitted



Bradley D. Goodrich
Executive Director

Sworn to and subscribed before me this
1st day of November, 2000.



My Commission expires.

